

## AGENDA

### JOINT COMMITTEE ON FINANCE AND CAMPUS PLANNING, BUILDINGS AND GROUNDS

**Meeting:** 10:30 a.m., Wednesday, March 26, 2025  
Glenn S. Dumke Conference Center

#### Committee on Finance

Julia I. Lopez, Chair  
Jonathan Molina Mancio, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Jack McGrory  
Christopher Steinhauser  
Darlene Yee-Melichar

#### Committee on Campus Planning, Buildings and Grounds

Jack McGrory, Chair  
Mark Ghilarducci, Vice Chair  
Larry L. Adamson  
Raji Kaur Brar  
Douglas Faigin  
Jazmin Guajardo  
Sam Nejabat  
Jose Antonio Vargas

- Consent**
1. Approval of Minutes, *Action*
  2. California State University, Northridge Matador Success and Inclusion Center Schematic Design and Financing Approval, *Action*
- Discussion**
3. Funding the California State University's Capital Program, *Information*

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**MINUTES OF THE MEETING OF THE  
JOINT COMMITTEE ON FINANCE AND  
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

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**Trustees of The California State University  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**January 29, 2025**

**Committee on Finance**

Julia I. Lopez, Chair  
Jonathan Molina Mancio, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Jack McGrory  
Anna Ortiz-Morfit  
Christopher Steinhauser  
Darlene Yee-Melichar

**Committee on Campus Planning, Buildings  
and Grounds**

Jack McGrory, Chair  
Mark Ghilarducci, Vice Chair  
Larry L. Adamson  
Raji Kaur Brar  
Douglas Faigin  
Anna Ortiz-Morfit  
Jose Antonio Vargas

Mildred García, Chancellor  
Jack B. Clarke, Jr., Chair of the Board

Trustee Lopez called the meeting to order.

**Consent Agenda**

The minutes of the July 24, 2024, joint meeting of the Committee on Finance and Campus Planning, Buildings and Grounds were approved as submitted.

**Discussion Agenda**

**Item 2 – Funding the California State University’s Capital Program**

This item was postponed until the March 2025 Board of Trustees meeting.

**Item 3 - San Diego State University Life Sciences Building Schematic Design and Financing Approval**

Due to time constraints and sufficient review of the materials by the Board of Trustees prior to the meeting, this item was not presented. A roll call vote was taken and the action item was approved with fourteen in favor (Trustees Lopez, Molina Mancio, Adamson, Faigin, Ghilarducci, Gilbert-Lurie, McGrory, Ortiz-Morfit, Steinhauser, Yee-Melichar, Brar, Vargas, Clarke, and Chancellor García), zero opposed, and zero abstentions (RFIN/CPBG 01-25-01).

Trustee Lopez adjourned the joint meeting of the Committees on Finance and Campus Planning, Buildings and Grounds.

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**JOINT COMMITTEE ON FINANCE AND  
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

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**California State University, Northridge Matador Success and Inclusion Center Schematic Design and Financing Approval**

**Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Erika D. Beck  
President  
California State University, Northridge

Paul Gannoe  
Assistant Vice Chancellor  
Capital Planning, Design and Construction

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

**Summary**

This agenda item requests approval of the following actions with regard to the California State University, Northridge (CSUN) Matador Success and Inclusion Center project (the "Project"):

- Approval of the schematic design
- Approval of an internal loan financing arrangement

**Schematic Design – Matador Success and Inclusion Center**

*Design-Build Contractor: DPR Construction*

*Project Architect: Steinberg Hart*

## **Background and Scope**

California State University, Northridge proposes to design and construct a three-story, 32,390 assignable square foot (ASF)/48,404 gross square foot (GSF) Matador Success and Inclusion Center (#130<sup>1</sup>), located along East University Drive (Lindley Avenue) at Vincennes Street, west of Redwood Hall (#16), and east of the Autodesk Technology Engagement Center (#14).

The Matador Success and Inclusion Center will house three new campus programs: Identity-Based Resource Centers (IBRC), Ethnic Studies Center for Research, Activism and Community Empowerment (ES for RACE), and Community & High Impact Practices (CHIP). Additionally, the Matador Achievement Center (MAC), which provides academic advising for student-athletes, and the Athletics administration and coaching offices will be relocated to this new facility.

The Matador Success and Inclusion Center is designed to support holistic student success by creating spaces for specific identities and fostering collaboration among diverse groups. The facility will recognize and leverage the overlap across student communities, encouraging both formal and informal interactions. By offering research and community engagement opportunities, the center aims to provide students with experiences they may not otherwise access. The building name highlights two key campus priorities—success and inclusion—underscoring the interconnectedness of feeling welcomed and thriving academically. Located near buildings like the Autodesk Technology Engagement Center, the Sustainability Center, the Student Union, and the Valera Basic Needs Suite, the facility reflects the University's commitment to inclusivity, student wellbeing, innovation, and sustainability. This strategic placement reinforces the University's core values while emphasizing equity, belonging, and the contributions of students and departments.

The new facility will feature five Identity-Based Resource Centers, including the Black & African Diaspora Center, Pacific Islander & Desi American (APIDA) Resource Center, Latinx/a/o Resource Center, American Indian Resource Center, and Southwest Asian & North African (SWANA) Center. These centers will share an open collaboration area, a peer tutoring space, small meeting rooms, and support spaces. Each center will include office/meeting spaces, open workstations, and a waiting area.

The Ethnic Studies for Research, Activism, and Community Empowerment is being created to support the implementation of AB 1460 by growing, developing, and sustaining ethnic studies and cultivating the current and next generation of ethnic studies scholars and practitioners.

The Community & High Impact Practices Center will consist of three centers sharing an open collaboration space, workspaces for student/research assistants, and office support spaces, including the Centers for Community Engagement and Community Health and Wellbeing, and a new undergraduate research center providing expanded access to research opportunities for students.

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<sup>1</sup> The facility number is shown on the master plan map and recorded in the Space and Facilities Database.

The Matador Achievement Center will continue to provide academic advising and support for CSUN's 350 diverse student-athletes, offering one-on-one tutoring, peer learning assistance, team-based learning, and a technology checkout program. The Athletics administration and coaching offices will provide a centralized work environment with private and shared offices, workstations, and hoteling stations, supporting CSUN's commitment to academic achievement, the core of the University's athletics program.

The new building will be a three-story steel brace frame structure with concrete-filled metal decks. The first floor will house the Identity-Based Resource Centers, Ethnic Studies for Research, Activism, and Community-Based Empowerment Center, and a multipurpose presentation room. The second floor will have the Community and High Impact Practices Center, the Matador Achievement Center, shared conference rooms, and a wellness lactation room. The third floor will house offices for Athletics administration and coaches. Each floor will have a gender-inclusive restroom.

The exterior architectural finish will be smooth plaster on the first floor and vertical metal panels and sunshades on the upper floors. Interior finishes consist of durable terrazzo tile for public spaces, as well as carpet tile for office suites. Ceilings consist of drywall plaster and acoustic paneling.

The building is designed to achieve Leadership in Energy and Environmental Design (LEED) Gold certification. Additionally, the facility has been designed to achieve a 22% reduction compared to the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) baseline. Other notable sustainability features include protected shaded building entries, ultra-high efficiency glazing to minimize solar heat gain, a zoned HVAC system with occupancy sensors to support partitioning and partial loads during off-hours use, energy-efficient lighting and control systems used in conjunction with natural lighting, drought tolerant landscape, and a water-efficient irrigation system with weather data overrides. The building will also utilize photovoltaic power from the campus's newest large-scale photovoltaic installation.

**Timing (Estimated)**

Preliminary Plans Completed	March 2025
Working Drawings Completed	July 2025
Construction Start	November 2025
Occupancy	July 2027

**Basic Statistics**

Gross Building Area	48,404 square feet
Assignable Building Area (CSU <sup>2</sup> )	32,390 square feet
Net Useable Building Area (FICM <sup>3</sup> )	41,630 square feet
Efficiency (CSU)	67%
Efficiency (FICM)	86%

**Cost Estimate – California Construction Cost Index (CCCI) 9866<sup>4</sup>**

Building Cost (\$840 per GSF)		\$40,656,000
<i>Systems Breakdown (\$ per GSF)</i>		
a. Substructure (Foundation)	\$ 23.14	
b. Shell (Structure and Enclosure)	\$ 198.08	
c. Interiors (Partitions and Finishes)	\$ 149.90	
d. Services (HVAC, Plumbing, Electrical, Fire)	\$ 276.76	
e. Built-in Equipment and Furnishings	\$ 11.57	
f. Special Construction & Demolition	\$ 0.00	
g. General Requirements/Conditions and Insurance	\$ 180.46	
Site Development		<u>4,558,000</u>
Construction Cost		\$45,214,000
Campus Project Contingency (CSU)		\$2,204,000
Fees & Services		<u>12,172,000</u>
Total Project Cost (\$1,231 per GSF)		\$59,590,000
Fixtures, Furniture & Movable Equipment		<u>\$2,086,000</u>
Grand Total		<u>\$61,676,000</u>

**Cost Comparison**

The Project’s building cost of \$840 per GSF is lower than the \$981 per GSF for the CSUN Global Hispanic-Serving Institution (HSI) Equity Innovation Hub project approved in May 2022, the \$1,000 per GSF for the Cal State San Bernardino–Palm Desert Campus, Student Services Building project approved in September 2023, and is aligned with \$832 per GSF for the Cal State Long Beach Continuing and Professional Education Classroom Building approved in November 2016, all adjusted to CCCI 9866.

<sup>2</sup> Assignable building area is based on CSU policy.

<sup>3</sup> Net usable building area is greater than assignable building area by including corridors, restrooms, mechanical rooms, etc., based on the definitions of the Postsecondary Education Facilities Inventory & Classification Manual (FICM).

<sup>4</sup> The November 2024 *Engineering News-Record* California Construction Cost Index (CCCI). The CCCI is the average Building Cost Index for Los Angeles and San Francisco.

The University utilized a competitive design-build delivery method that combines design competition with competitive bidding to maximize value, efficiency, and risk management. By soliciting three competitive bids for the entire project, the University ensured the best price, quality, and a balanced design. This delivery method includes the bidding of traditional soft cost fees, such as architect/engineer fees, contingency, and escalation. The winning proposal delivered a building 4,250 square feet larger than the second-place bid, resulting in a project with an additional \$4 million value enhancement at a lower cost than the second-place proposal. Additionally, faster project delivery mitigated up to \$1 million in escalation costs by minimizing exposure to inflation and unforeseen expenses. The design-build delivery method also provides significant risk mitigation, as the design-build contractor is responsible for all change orders and escalation, which shifts the responsibility for cost overruns and delays to the contractor, thereby reducing uncertainty for the University.

### **California Environmental Quality Act (CEQA) Action**

This project was included in the Final Environmental Impact Report (FEIR) prepared for the CSUN Master Plan Revision, which was certified by the Board of Trustees in March 2006. The University completed a Finding of Consistency Report in March 2024 for this project, which concluded that this project would have no new significant environmental impacts beyond those identified in the 2006 FEIR. The Finding of Consistency has been prepared in accordance with the requirements of the California Environmental Quality Act (CEQA Guidelines § 15168).

### **Project Funding and Financing**

The project will be funded through multiple sources including campus designated capital reserves of approximately \$48.2 million, CSUN auxiliary contributions of \$3 million, private donations of \$6 million, and a \$4.5 million loan from the California State University, Northridge Foundation.

The California State University, Northridge Foundation Board of Directors has recently implemented a mission-based investment policy wherein a portion of its fixed income investments may be dedicated to campus priority projects. This source of funding for the project will be in the form of a \$4.5 million loan from the Foundation, a recognized auxiliary organization in good standing, to the University. The loan, which requires approval by the Board of Trustees as provided in the accompanying resolution, will be fully amortized over 10 years at a fixed interest rate of 4.00%, with an option to prepay without penalty.

### **Recommended Action**

The following resolution is recommended for approval:

**RESOLVED**, by the Board of Trustees of the California State University, that:

1. The March 2024 Finding of Consistency prepared for California State University, Northridge Matador Success and Inclusion Center has been prepared in accordance with the requirements of the California Environmental Quality Act (CEQA).

2. The California State University, Northridge Matador Success and Inclusion Center project is consistent with the Campus Master Plan approved in March 2006.
3. Applicable mitigation measures adopted in conjunction with Campus Master Plan Final EIR certified in March 2006 shall be implemented, monitored, and reported in accordance with the requirements of CEQA (Cal. Pub. Res. Code § 21081.6).
4. The California State University, Northridge Matador Success and Inclusion Center project will benefit the California State University.
5. The schematic plans for the California State University, Northridge Matador Success and Inclusion Center are approved at a project cost of \$61,676,000 at CCCI 9866.
6. The internal financing loan as described herein is approved.

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**JOINT COMMITTEE ON FINANCE AND  
CAMPUS PLANNING, BUILDINGS AND GROUNDS**

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**Funding the California State University's Capital Program**

**Presentation By**

Steve Relyea  
Executive Vice Chancellor and  
Chief Financial Officer

Robert Eaton  
Assistant Vice Chancellor  
Financing, Treasury, and Risk Management

Paul Gannoe  
Assistant Vice Chancellor  
Capital Planning, Design, and Construction

**Summary**

This agenda item provides an overview of the last quarter century of funding for the California State University's (CSU) capital program and describes the current capital funding need. The item also presents possible strategies for securing additional funding for the program.

**Background**

Within the CSU's capital program there are two main types of projects – Academic Program projects and Self-Support Program projects. The types of projects included in each of these broad categories and the funding supporting them are different. Deferred Maintenance projects, which are generally part of the Academic Program, are tracked separately and the CSU requests funding specifically for these projects directly from the State, generally as a request for one-time funding.

Academic Projects are on-campus and off-campus projects, including academic, administrative, and infrastructure support projects which may be approved as funded with CSU designated reserves or debt financing. Self-Support projects include all revenue-based on-campus student, faculty, and staff rental housing, parking, student union, health center, and continuing education capital projects, as well as select auxiliary projects. For purposes of this presentation, the need

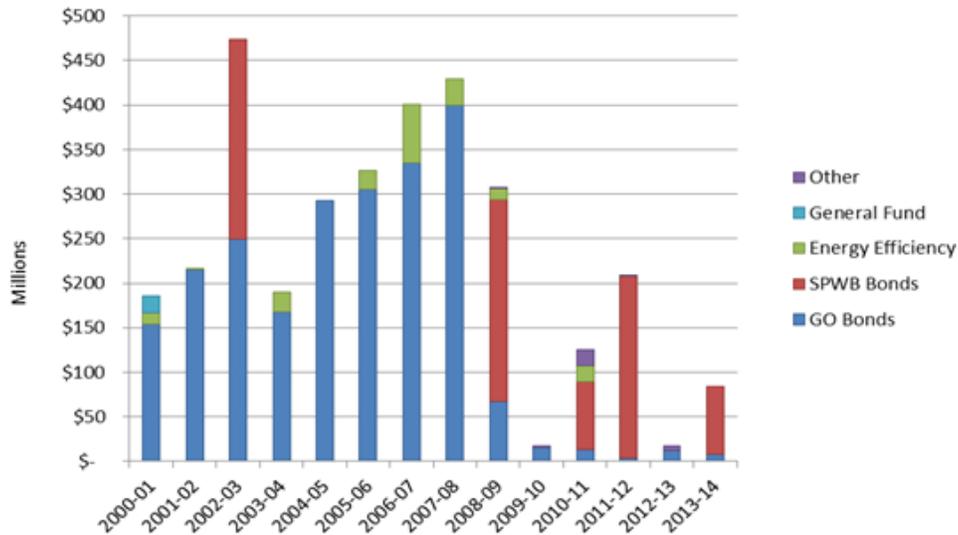
for capital funding and the capital program refer to Academic Projects. Self-Support projects generally have a funding source available to them, whereas Academic Projects do not and represent the heart of the CSU's capital funding problem.

#### **Funding the Capital Program Prior to 2014**

The state of California has a history of supporting the ongoing operating budget and capital needs for the California State University and the University of California (UC). Initially, funding was supported by the state General Fund recognizing the investment was essential to support the increasing population growth in California and the increasing demand for student access to both university systems. Eventually, statewide voter approved General Obligation (GO) Bonds, legislatively approved State Public Works Board Lease Revenue Bonds (LRBs), and continuing efforts to provide one-time and ongoing state General Funds in the state budget when California's fiscal condition was robust became the main sources of capital funding.

Statewide voter approved GO Bonds, which provided an average of \$450 million per year of capital funding to CSU and UC in the 1990s and early 2000s, faded after 2006 given increasing demands for other bond funding priorities and concerns regarding California's growing debt service. The last successful GO Bond in 2006 afforded CSU and UC a combined \$1.5 billion to address capital facility needs. LRBs were relied on when the state's fiscal condition was bleak and potential voter approval for capital facility funding would not support a statewide GO Bond measure. However, there was no guarantee for LRBs, even when supported by the Governor and the legislature. The 2009-2010 Governor's budget included over \$1 billion in LRB funding in the state budget however the Pooled Money Investment Board (PMIB) suspended this bond funding in December of that year. In addition, many of the capital funding resources available to the state shifted to address growth in K-12, California Community Colleges, prison construction, and other state agencies due to California's overall population and public service demands, a trend that continues to this day.

The following chart provides some detail on the funding sources that supported the CSU's Capital Program prior from 2000 to 2014.



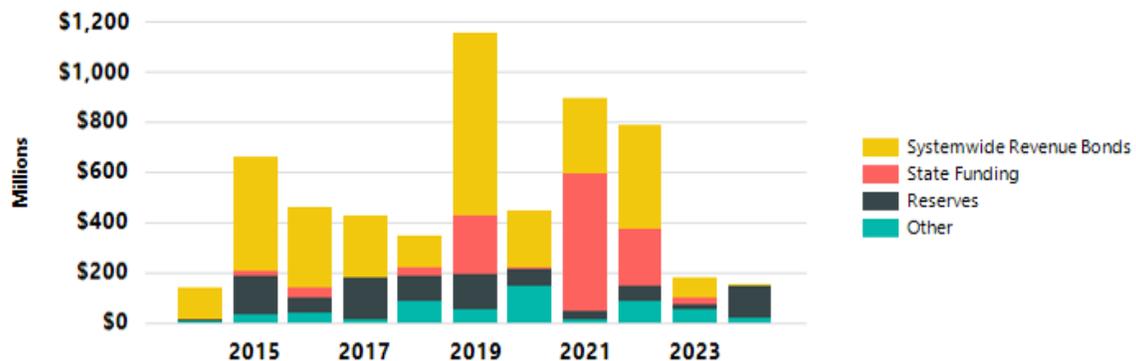
### Funding the Capital Program 2014-2025

In 2014, the state enacted legislation that made the financing of academic facilities the responsibility of the CSU and granted the CSU authority to issue debt to meet that responsibility. To the extent that GO Bonds were approved by the voters, that source of funding might still be available to the CSU in the future, although at the time (and still to this day) the last voter-approved GO Bond funding provided to the CSU as mentioned above, was in 2006. Financing via LRBs was effectively eliminated because up to that point the state paid the debt service on LRB debt each year with a line-item appropriation separate from the CSU’s annual ongoing state appropriation used to meet operations. Now, the legislation stipulated that the separate line-item appropriation for annual LRB debt service would be eliminated, and the CSU would receive one annual appropriation from the state. From that point forward, the Board of Trustees would decide how much of its operating budget might be committed to supporting the issuance of CSU debt to finance academic facilities.

While the state has continued to provide some one-time funding and small amounts for ongoing debt service, the CSU has also needed to utilize a variety of other funding sources to meet its capital needs such as: setting aside operating revenues to support the issuance of CSU Systemwide Revenue Bond debt; restructuring state lease revenue bond debt to free up resources for additional debt capital; distribution of investment earnings from our Total Return Portfolio; and philanthropy for select projects. All told, over the last 11 years, since responsibility for funding capital needs shifted to the CSU, the CSU has had about \$5.6 billion of capital resources.

However, it is important to note that 62 percent of that \$5.6 billion, or about \$3.5 billion, came from state associated resources unavailable on a recurring basis, such as the restructuring of state lease revenue bond debt or the periodic one-time funds from the state. Furthermore, these resources still fell short of meeting the growing need to modernize and renovate facilities along with the demand for new facilities to meet ever-changing workforce demands and has put the CSU in a critical state to address its capital facility issues.

The following chart provides the breakdown of funding sources that supported the CSU's capital program between 2014 and 2025.



### Summary of Critical California State University Capital Needs

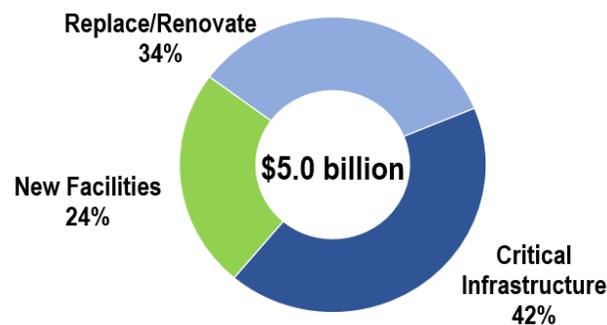
The need in the California State University Academic Program is significant. In the current Five-Year Capital Program, 2025-2026 through 2029-2030, the universities have identified a need for nearly \$31 billion in projects. Roughly \$5.0 billion in projects are for the 2025-2026 year of which approximately \$1.4 billion are for deferred maintenance projects and \$740 million are for infrastructure improvements.

There are three broad categories of projects:

- A. Critical Infrastructure – These projects correct structural and health and safety code deficiencies by addressing fire and life safety problems and promoting code compliance in existing facilities. Projects include seismic strengthening, correcting building code deficiencies and failing infrastructure, and addressing regulatory changes which impact campus facilities or equipment.

- B. Replace/Renovate – These projects modernize existing facilities or construct new replacement buildings in response to academic and support program needs; and replace utility services/building systems to improve facilities and the campus infrastructure.
- C. New Facilities – These funds eliminate instructional and support deficiencies to support university growth, including new buildings, additions, land acquisitions, and site/infrastructure development.

The following chart represents the breakdown between these three categories for 2025-2026.



### Strategies for Discussion and Consideration

Moving forward, the CSU will continue using existing sources of capital funding, such as earnings from the Total Return Portfolio and philanthropy. The CSU could also explore the expansion of other funding options to provide capital funding resources, such as making greater use of public-private partnerships for select types of projects (e.g., energy infrastructure), adding a deferred maintenance component to new space funding, or implementing a pro-rata assessment on all Self-Support projects to help cover the capital costs of the university infrastructure supporting such Self-Support projects. Collectively, however, these sources would still fall well short of the overall need. To address the \$5 billion in the 2025-2026 action year in the CSU's Capital Program over a 10-year period and keep up with new deferred maintenance each year, the CSU would require about \$550 million of capital funding each year for the 10-year period. Should the CSU wish to debt finance this yearly \$550 million investment for 10 years, an annual commitment of about \$45 million per year each year, or a total of about \$450 million over 10 years, would be required to service the debt.

In order to make meaningful progress on addressing a need of this magnitude, sizeable sources of capital funding are required. The three ideas presented below for the Board's consideration and discussion, while not completely solving the CSU's funding problem, would provide sizable amounts of capital funding.

#### Dedicated, Ongoing State Appropriation to Support Debt Issuance

One idea is a dedicated amount of ongoing state appropriation to support issuance of debt under the CSU's Systemwide Revenue Bond program. This resource would be similar to the old LRB structure with the difference being that the CSU issues the debt rather than the state.

#### General Obligation Bond Funding

A second idea would be to once again pursue voter approval of a general obligation bond to finance CSU capital projects. To date, the CSU has not been successful in this endeavor and most recently the CSU was unable to persuade the legislature to place such a bond measure on the ballot. However, given the potential size of funding—possibly as high as a few billion dollars—continuing to pursue this option could still be considered worth the effort. State Assembly Member David Alvarez, who chairs the Assembly Budget Subcommittee, has introduced a higher education bond for the 2026 ballot and has expressed clear interest in working toward a higher education general obligation bond. The CSU will work with Assembly Member Alvarez, as well as explore partnering with the University of California, to get a higher education bond measure placed on the ballot.

#### Capital Facilities Student Fee

A third idea to address capital facility funding would be a dedicated revenue source in the form of a capital facilities student fee. This is a challenging option considering the approval in late 2023 of student tuition increases for the system, but an annual fee of about \$100 per student would generate the \$45 million needed annually to support debt issuance to meet one year's worth of the capital funding target of \$550 million per year noted above.